

The Hon Michael O'Brien MP

Ref: A1037594



**Government
of South Australia**

Date: 03/05/11

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Dear Mr Palethorpe

On behalf of the Government of South Australia, I am pleased to provide you with the State's submission on the inquiry into the Carbon Farming Initiative bills.

The South Australian Government support the objects of the legislation, in particular the aim of reducing greenhouse gas emissions as well as the intent to credit activities that improve agricultural productivity or have environmental benefits.

A major concern is an "excluded offsets project list", the contents of which the Commonwealth will determine, and may not need to be based on any peer reviewed science or sound evidence. Furthermore there is no appeal mechanism.

I trust this submission is of assistance to you.

Yours sincerely

Hon Michael O'Brien MP
MINISTER FOR FORESTS

Encl: Submission to Senate Standing Committees on Environment and
Communications

Objective ID: A1049474



**Government
of South Australia**

**Submission to the Senate Standing Committees on
Environment and Communications
Inquiry into the Carbon Farming Initiative Bills 2011.**

**Carbon Credits (Carbon Farming Initiative) Bill 2011;
Carbon Credits (Consequential Amendments) Bill 2011; and
Australian National Registry of Emissions Units Bill 2011.**

April 2011

South Australia supports the objects of the Carbon Farming Initiative (CFI) bill, in particular the aim of reducing greenhouse gas emissions in line with Australia's international commitments.

South Australia also endorses the intent to credit activities that improve agricultural productivity and/or have environmental benefits and for eligible projects to be able to reference those co-benefits on the register of offset projects.

Meeting government regulatory approvals and being consistent with regional natural resource management plans is also supported as well as ensuring that revegetation resulting from illegal clearance cannot access carbon credits.

Scheme Coverage

Excluded Offsets Project List

With the object of reducing greenhouse gas emissions and the proposal to examine projects for potential adverse risks to biodiversity conservation, employment, water availability and the local community – there does not appear to be a need for an "excluded list" (Part 3, Division 12). This listing process is akin to picking winners which in the Explanatory Memorandum for the main Bill (page 8), the Australian Government doesn't always support. If it excludes highly productive projects it is also likely to be inconsistent with several of the main objects of emission reduction.

Should such an "excluded list" remain, care needs to be taken to ensure any listed types of projects are based on peer reviewed science, with sound methodologies and supporting evidence, in essence meeting integrity standards similar to the process for offset projects put forward by project proponents for carbon credits. This would demonstrate transparency and would recognise that locational differences can make one "type" of project acceptable in one region but not in another. This care should be supplemented with an appeal mechanism such as being listed as a reviewable decision under Part 24, Division 2.

Recognition of abatement from plantings before 1 July 2010

It is desirable that non-Kyoto compliant eligible revegetation projects planted before 1 July 2010 for carbon sequestration can be considered in the CFI.

Likewise consideration should be given to including Kyoto compliant reforestation planted on or after 1 January 1990, consistent with Australia's obligations under the Kyoto Protocol.

Government Funding

Furthermore, receiving Government assistance for revegetation / restoration activities to achieve biodiversity co-benefits for a planting project should not preclude a landholder from receiving carbon credits.